



# *Indiana* **INVESTIGATES**

A MAGAZINE FOR INDIANA AUDITORS AND INVESTIGATORS

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## 2007 Meetings

Indiana Auditors and Investigators  
Quarterly Meetings:

Thursday, March 22, 9:00-10:30

IGCS Conf. Rm. 18

Thursday, June 21, 9:00-10:30

IGCS Conf. Rm. A

Thursday, September 20, 9:00-10:30

IGCS Conf. Rm. 17

## Agency Contact List

The OIG is putting together a contact list for all audit and investigative groups in all state agencies. If you have not already done so, please send names, addresses, phone numbers, and job titles to Melissa Nees, [mnees@ig.in.gov](mailto:mnees@ig.in.gov). With your cooperation, we hope to have this available soon.

*Does your agency have news or ideas to share? We would love to hear from you. Please email Melissa Nees at [mnees@ig.in.gov](mailto:mnees@ig.in.gov).*

# 2006 WINTER SUMMIT

**December 4, 2006**

The 2006 Winter Summit for Indiana Auditors and Investigators was a great success. Representatives from many state agencies attended to show their support for the accomplishments of Indiana's auditors and investigators last year. The Governor also attended and distributed special awards to several employees. The following people were honored for their service:

**Deb Currey, former FSSA Audit Chief**, for her leadership in bringing the ACL computer program to FSSA. This program detects fraud and inspired the drug felon cross-match investigation mentioned below.

**Kim Devoy, FSSA Investigator**, and **Lisa Nelson, USDA Office of Inspector General**, who developed the drug-felon cross-match investigation after seeing Deb Currey's ACL presentation to the *Indiana Investigates* quarterly meeting.

**Mike Hoose, State Board of Accounts State Agency Supervisor**, and **Patti Serbus, John Rihm, and Al Marshall, all State Board of Accounts Auditors**, who through their audits recovered \$1.8 million from BMV accounts, recovered \$98,000 in State Police Pension funds, and testified at an ethics commission trial regarding their audit which helped prove an ethics violation of a former INDOT deputy commissioner.

The OIG would like to thank everyone for their participation and cooperation at the 2006 Summit. We hope to continue this in December 2007.





# 2006 WINTER SUMMIT



# SELLING THE POSITIVE STORIES

## Demonstrating your agency's worth

by Chuck Coffin, Special Agent  
Office of Inspector General

To paraphrase the words of CBS 60 Minutes correspondent Andy Rooney, "Is it just me or can anyone refute the argument that a lot more bad news is on TV and in the papers now-a-days?" As a matter of survival, the news industry thrives on the bad news, crime waves, internal investigations, and legitimate screw-ups because they make up the crucial bread and butter for the media. Then, consider that the Internet's U.S. audience has steadily climbed during the past decade, reaching 164 million people, according to comScore Media Metrix.<sup>1</sup> Meanwhile, the total paid circulation of U.S. newspapers has been declining for nearly 20 years, dwindling from a peak of about 63 million to about 55 million.<sup>2</sup> Hmmm, quite a difference: Internet – 164 million versus Newspapers – 55 million. Can you spell "loss of revenue?" With consumers fleeing from the traditional media outlets of TV and print, is it any wonder these two traditional media are focusing more and more on the two areas that sell best. The focus of this article will consider bad news; I'll leave it up to you to guess the other area.

Both electronic and print media editors and publishers have long been fond of using words such as "public trust", "accountability," and "responsibility," of course, and within any newsroom the notion that robust newspapers are part of a region's civic infrastructure is hardly a revelation.<sup>3</sup> Simply stated, bad news sells and in the business world, sales equal profits! However, the media needs some good news just as much as they want the bad news. It's a "yin and yang" formula...the news industry must offer its customer positive stories to counter all the bad. So, how do we

sell the positive stories? Employing the major concepts of this article can help and are consistent with the proven track record of Carla Donlon-Cotton, who's been on both sides of the isle as a government employee and as a news reporter.<sup>4</sup>

In the TV world, these "good-news" stories are sometimes called the "kicker"—that is, quick stories with great, positive pictures that are shown at the end of the newscast to leave a pleasant taste in the mouths of the viewers. For example, what investigation have you just completed



that will save state government (i.e., taxpayers) money or protect their personal records? How will your case save citizens time or cause the citizen to experience a more efficient process the next time they have to interact with state government? What a great opportunity to provide a kicker that will also "sell" your agency in a constructive light!

In newspapers, the kicker might be a feature story, or it might just be a big centerpiece photo with extended captions giving brief details. An added benefit – here's a prime location to list your agency's web site URL to draw more readers for your information! Remember, only 39 percent of adults 18 to 34 years old read a newspaper last year,<sup>5</sup> so the internet is a leading way to capture the attention of this large segment of society. Remember that whether television or print media, regardless of what they call it, what form it's in, or where it goes, a good



story has one very important element to consider when possible – pictures. We're a visual populace!<sup>6</sup>

One of the 20th century's best sellers was Steven Covey's *The Seven Habits of Highly Effective People*. Its global success has made the workplace a constant reminder of initiative and focus, personal priorities and relationships, empathy, and continual improvement. These habits, the pathways to building and sustaining self-mastery and meaningful relationships, are quite applicable in the practice of public relations. Why? Because these days successful state agencies link their measured success to long-term, reciprocally beneficial relationships with the news media, who frequently interact with the general public, key state and local governmental officials, as well as public and private organizations.

How then should Covey be reinterpreted from a skilled public relations perspective? We start by noting that Covey says "One's character is most visible in long-term relationships," and the business of public relations is to shape the public's long-term perception of an organization's character. Based on Covey's premise, consider the following in relationship to long-term, successful public relations:<sup>7</sup>

## **Habit One: Be proactive**

Lucien Matrat<sup>8</sup>, in *The Realities of PR*, talks of motivating the expectations of those whose judgments can influence an organization's operations. The key words to motivating expectations are "anticipation", "elimination of roadblocks", "motivating", and "harmonizing". We must proactively motivate the positive expectations of those whom we serve – the media, yet more correctly, the citizens of Indiana.

## **Habit Two: Begin with an end in mind**

The ultimate goal of successful public relations is to build and sustain relationships with one's public so that they support an agency's continued operation and progress. Therefore, it's necessary to be familiar with issues that are uppermost in the public mind and to bring positive attention to those issues in a timely manner.

## **Habit Three: Put first things first**

PR begins with identifying the most important issues of the target group. To whom are you trying to communicate the importance of the news? Primarily to the general public? To other governmental agencies? To elected officials at the state level or local level?

## **Habit Four: Think win-win**

According to Covey, "To think win-win is to seek agreement and relationships that are mutually beneficial." The outcome of a PR issue has consequences for all stakeholders as well as the agency.

## **Habit Five: Seek first to understand, then to be understood**

Understanding the audience is possible only through research. Conceivably the most serious and neglected public relations problem is failure to use research.

## **Habit Six: Synergize**

Carefully plan and utilize all available resources. This is especially true when a joint investigation has taken place. Simply stated, "Two heads are better than one."

## **Habit Seven: Renewal and continual improvement**

One of Covey's most important axioms, there should be balance among the human dimensions. We should be continually "sharpening the saw" because proficient renewal will ensure one's continuing vitality and value.

In conclusion, although most media types don't realize it, government investigative agencies can be great sources of good-news stories emphasizing the positive elements of effective government in which the public's interest is vigilantly safeguarded. The key to getting your story covered by TV and newspapers is most often in how you pitch the opportunity, not just the focus of the story.<sup>9</sup> It's our responsibility to make sure the media outlets are aware of the potential for great photos and video in conjunction with a story supplied by us, and to nurture long-term relationships for mutual benefit.

Endnotes

1 comScore Media Matrix is a renowned global internet information service provider whose products and services are utilized by many of the world's leading corporations to better understand, leverage, and profit from the rapidly evolving worldwide web.

2 "Internet innovations cut in on newspaper circulation, revenue" The Honolulu Adviser 15 April 2005: <<http://the.honoluluadvertiser.com/article/2005/Apr/16/bz/bz15p.html>>.

3 "Blackout" Law and Order December 2006:26.

4 Cara Donlon-Cotton is a former media relations instructor for the Georgia Public Safety Training Center and a reformed newspaper reporter who offers suggestions from an insider's viewpoint.

5 "Internet innovations cut in on newspaper circulation, revenue" The Honolulu Adviser 15 April 2005: <<http://the.honoluluadvertiser.com/article/2005/Apr/16/bz/bz15p.html>>.

6 Matt Siber. "Visual literacy in public space" London: Sage Publications. 2005.

7 Hillman, Major Steve., "The seven habits of lasting and meaningful public relations". Indiana State Police Public Relations Division. 2007.

8 Lucien Matrat was a revered Member Emeritus of the International Public Relations Association. As such, he served on many international public relations committees and advisory boards for both the public and private sectors.

9 Donlon-Cotton, Cara "Media Relations." Law and Order September 2006: 38.

# THE DEPARTMENT OF INSURANCE

Mystery, greed, disasters, theft, and more...

by Carol Mihalik, Chief Deputy Commissioner and Counsel  
Department of Insurance

We can't live without *it*, we can be forced to buy *it*, and we never ever want to read about *it* or understand *it* too much. *It* is everywhere; we (citizen consumers) need it to drive a car, protect our property, or to prevent economic devastation due to medical illness, or any number of other 'accidents' that befall all of us at some time or another. *It* is insurance. Read any of your policies lately? Probably not. Trust me, you will for sure right after that tornado hits, your roof is damaged by hail, your big screen TV is sitting in four inches of water, a long overdue Indiana earthquake topples a wall, you suddenly can't work, or a loved one needs special medical care (**DISASTERS: we led the country last year**). Here's a tip – pretend *it* is a newspaper and give *it* a try over coffee sometime.

The state's regulation of the agents, brokers, companies, miscellaneous entities, and the products they all deliver therefore is

critical to the general well being of its citizenry and beneficial to the overall economy. Can a company pay claims when the time comes? Is an agent telling the truth? Does the product do what the contract says it should do? All good questions which have led to the regulation of this very large industry. Regulators hear complaints like 1) I did not get the 'protection' I wanted because I was misled (**MISLEADING**) 2) My 'agent' took my money, promised me a policy and never provided a policy (**THEFT: the agent just took your money!**) 3) Why has it taken so long to settle my claim? (**UNFAIR CLAIMS**).

Consumer Protection at the IDOI is all about behavior in the marketplace. The regulation goal is simple and consistent with the Governor's initiatives: to work with the insurance industry in positive relationships, to redirect as needed, or when necessary invoke firm justice and sanctions on the bad or recalcitrant actors to keep the marketplace fair and competitive for all.

Amazingly, there are in excess of 115,000 agents licensed to sell insurance in Indiana and about 2000 companies doing business here.

Not surprisingly, since we all need insurance, insurance agents have incredible access to us (on the phone and in our homes) and legitimately talk about all the bad things that can happen to us. The agent most often is one of the most trusted individuals; they know a lot

about what we don't want to know too much about and they are readily available and willing to help. Unfortunately, the bad players use that relationship to engage in inappropriate or unlawful sales practices (**GREED: high commissions**) and can sell products that aren't even insurance (those things that are too good to be true but you buy it anyway). Remember those faxes with affordable health care for just a few dollars a week? (**MYSTERY: why do so many fall for this over and over again?**). Guess who the spokesperson was for the organization of state insurance regulators, the National Association of Insurance Commissioners (NAIC), in 2005? Frank Abagnale, con man turned federal regulator and advisor as captured in the movie "Catch Me If You Can". Who better?



**Internal Fraud**, fraud that is committed by a rogue or unlicensed agent or company against another company or consumer, is our primary fraud focus. The following are a few examples for you to consider. We have worked with the **Secretary of State's** office on sales of questionable products, like promissory notes, pay phones, and other unsuitable transactions to the elderly by insurance agents. The **Indiana State Police** has welcomed referrals on misappropriation and other cases that have the potential for criminal charges. The **Bureau of Motor Vehicles** has partnered with us on a few creative players (an employee or two) who have sold fake certificates of insurance to consumers desperate to find cheap insurance only to find at claim time there is no insurance. The **Office of the Attorney General** has sent us many complaints and shared much information about various scams that are variations of "fake insurance". And as an agency that provides for licensing we can also impose consequences when taxes aren't paid as advised by the **Department of Revenue**, or child support languishes, as told to us by the **Family Social Services Administration**.

To be clear, we do not have law enforcement authority, and don't need it to regulate this industry. However, we do know more than a few consumers would like us to have the power to arrest a claims adjuster or two; particularly when they have reached the end of their rope when trying to get a claim paid. Fortunately, our unfair claims statutes have allowed us to assist thousands of consumers in recovering over 13 million dollars last year alone.

Some day we may have an **External Fraud** division which would have law enforcement investigative powers designed to assist companies and local prosecutors in the prosecution of the bad actors who stage car accidents or submit false claims.

In the meantime, what we truly enjoy doing everyday is being able to assist consumers and, get restitution where we can, from those we regulate who veer from the path of compliance unintentionally or from those more purposeful bad actors! If you find insurance issues in your investigations, give us a call. We can help walk you through the maze of insurance jargon, statutes, and regulations. Check out our website to learn more and take the insurance quiz at <http://www.in.gov/idoi/>.



*Got insurance?*